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November 23, 2005

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re GMAC Mortgage Corporation

Serial No. 76551540

Sherry H. Flax of Saul Ewing LLP for GMAC Mortgage Corporation.

Douglas M. Lee, Trademark Examining Attorney, Law Office 108 (Andrew Lawrence, Managing Attorney).

Before Bucher, Drost, and Kuhlke, Administrative Trademark Judges.

Opinion by Drost, Administrative Trademark Judge:

On October 16, 2003, GMAC Mortgage Corporation (applicant) applied to register the mark EQUITY REWARDS, in standard character form, on the Principal Register for "credit card services" in Class 36. The application is based on applicant's allegation of its bona fide intention to use the mark in commerce. Applicant has disclaimed the term "Equity."

The examining attorney¹ refused to register applicant's mark on the ground that the mark would be merely descriptive under Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1), if it were used with applicant's services. The examining attorney maintains that applicant's mark is merely descriptive because: "the proposed mark EQUITY REWARDS merely describes a feature of applicant's credit card services, namely, a credit card featuring a rewards program linked to the cardholder's home mortgage loan. In particular, the cardholder can earn 'points' for using the card which in turn can be used to pay down his mortgage balance by applying the 'points' directly to the mortgage principal (the outstanding balance of the mortgage) which increases the cardholder's equity in his home." Brief at unnumbered p. 3.

Applicant, in turn, argues that the mark has a variety of meanings, the mark does not immediately describe its services, and there are third-party registrations in which the term "rewards" has not been disclaimed.

After the examining attorney made the refusal final, applicant appealed to this board.

¹ The present examining attorney was not the original examining attorney in the case.

Our principal reviewing court in In re MBNA America Bank N.A., 340 F.3d 1328, 67 USPQ2d 1778, 1780 (Fed. Cir. 2003) discussed the issue of when a mark is merely descriptive.

A mark is merely descriptive if it immediately conveys information concerning a quality or characteristic of the product or service. [In re Nett Designs, 236 F.3d 1297, 1341, 57 USPQ2d 1564 (Fed. Cir. 1999)]. The perception of the relevant purchasing public sets the standard for determining descriptiveness. *Id.* Thus, a mark is merely descriptive if the ultimate consumers immediately associate it with a quality or characteristic of the product or service. On the other hand, "if a mark requires imagination, thought, and perception to arrive at the qualities or characteristics of the goods [or services], then the mark is suggestive." *Id.*

It is important that we view the mark that is alleged to be descriptive in the context of the goods or services in the identification in the application. In re Abcor Development Corp., 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978) ("Appellant's abstract test is deficient - not only in denying consideration of evidence of the advertising materials directed to its goods, but in failing to require consideration of its mark 'when applied to the goods' as required by statute").

In this case, applicant's services are identified as "credit card services." The press release concerning applicant's credit card describes the card as follows:

GMAC Mortgage Equity Rewards MasterCard, Helps
Cardholders Pay Down Faster

GMAC Mortgage announced the GMAC Mortgage Equity Rewards MasterCard(SM), a no-annual-fee Platinum Plus credit card, issued by MBNA America Bank, N.A., that helps cardholders pay down their mortgage balance with GMAC Mortgage by applying Equity Rewards directly to mortgage principal.

Cardholders earn one point for every dollar in net retail purchases charged to the card. Each time a cardholder accumulates 2,500, \$25 is credited automatically to the cardholder's mortgage principal with GMAC mortgage.

The website Cardweb.com describes applicant's card as follows:

The second rewards credit card linked [to] a home mortgage was introduced this week by GMAC Mortgage and MBNA America Bank... The new GMAC/MBNA card helps cardholders pay down their mortgage balance with GMAC Mortgage by applying the "equity rewards" directly to the mortgage principal.

"Equity" is defined as "the residual value of a business or property beyond any mortgage thereon and liability therein."² By reducing the "mortgage balance," a property owner is increasing the owner's equity in the property. Therefore, the term "Equity" exactly describes a credit card that reduces the mortgage's value and increases a cardholder's equity in real property.

² We take judicial notice of the definitions in the examining attorney's brief. University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co., 213 USPQ 594, 596 (TTAB 1982), aff'd, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).

The next question is whether the term "rewards" is merely descriptive of credit card services. The examining attorney maintains that the word "'rewards' by itself is commonly used in the credit card industry to refer to a benefit in which cardholders obtain cash, travel, merchandise, and/or other types of privileges through use of the credit card." Brief at unnumbered p. 4. The evidence supports the examining attorney's position. Even the MBNA website, which is a partner with applicant, lists a category as "Choose Your Rewards - Explore a world of immense value, convenience, and choice with the only rewards program that lets you choose the rewards that are right for you."

Under the heading "Earn Valuable Points with Shopping **Rewards** - Do the math with shopping **reward** credit cards. For every dollar you spend, you accumulate points that multiply into future purchases," some of the following cards are listed (emphasis added):

WorldPoints (SM)
Explore a world of immense value, convenience, and choice with the only **rewards** program that lets you choose the **rewards** that are right for you - including cash, travel, great merchandise, and gift certificates.

Bass Pro Shops® Outdoor **Rewards**
Earn 1% **rewards** for all of your everyday purchases...

Amtrak Guest **Rewards**®

Earn points toward FREE Amtrak® travel, hotel stays, rental car **rewards**, airline miles and retail gift certificates...

Furthermore, the site has separate categories under "Select a Card" entitled "Shopping Rewards" and "Travel Rewards."

The Cardweb.com site begins with a box that asks:

Looking for a particular type of card? Click on any of the card types listed below to view CardWeb.com's® monthly card surveys.

Click Here For Our Featured Cards

- Low Rate (ranked by APR)
- Low into/Promotional Rate
- No Annual-Fee
- Premium (gold, platinum, etc.)
- **Rewards** (gas, travel, cash-back, etc.)

The site then asks "Are you looking for a card that offers **rewards**?"

The site then goes to a page entitled "Reward Cards Survey" and lists numerous cards by category. One of the categories is "Reward Type" and the various rewards are listed as "cash back," "other," "airline" and "travel."

The BankOne site under credit cards has a category entitled "Choose rewards - Every purchase you make gets you closer to a dream vacation, cool merchandise or quick cash."

The Visa website has a webpage that lists the benefits of its credit cards. Some of these benefits are identified

as: Zero Liability, Lost/Stolen Card Reporting, Roadside Dispatch, and Rewards Program.

The examining attorney also included NEXIS printouts that show the term "reward(s)" used in association with credit cards.

[T]here are advantages such as gaining **reward** points with their credit card companies.
Omaha World Herald, March 30, 2004.

We're talking, of course, about credit cards. **Reward** credit cards, specifically - those plastic passes that offer a plethora of perks, prizes and privileges.
Wichita Eagle, March 28, 2004.

I pay my bills by credit card because of the convenience and **rewards**...
Plain Dealer, March 15, 2004.

MONEY: Are "**reward**" credit cards actually worth it?
Time, March 15, 2004.

The evidence shows that the term "rewards" used in association with credit card services that provide a benefit to cardholders for using the credit card would be described as a "reward" card. Therefore, the term "rewards" is merely descriptive of a credit card that has a "rewards program" associated with it.

We also note that the examining attorney has submitted several registrations that involve credit card services that have disclaimed the term "rewards." See, e.g. Registration No. 2,478,020 (SMARTRAK REWARDS for credit card services offering travel incentives, "Rewards")

disclaimed); No. 2,600,459 (PRIME REWARDS for credit card services featuring a rewards program in which points are accumulated and redeemable for purchases of, or discounts on, various goods or services; "Rewards" disclaimed); No. 2,616,952 (CHASE TRAVEL REWARDS for credit card services involving the awarding of points for discounts on travel related services; "Travel Rewards" disclaimed); No. 2,578,245 (USAA CASH REWARDS for credit card services; "Cash Rewards" disclaimed), and No. 2,788,641 (MYPPOINTS REWARDS for credit card services; "rewards" disclaimed). Applicant has responded to this evidence by submitting several registrations that show credit card services where the term "Rewards" has not been disclaimed. See, e.g., Registration No. 2,411,912 (DEBIT REWARDS for debit and credit card services; "Debit" disclaimed); No. 2,099,787 (MEMBERSHIP REWARDS for charge card services); and No. 2,025,900 (CHECK CARD REWARDS for debit card and credit card services; "Check Card" disclaimed).³ The examining attorney's and applicant's registrations do not clearly show whether the term "rewards" is descriptive for credit

³ Applicant also refers to a cancelled registration for EQUITY REWARDS and star design for mortgage banking and mortgage lending services. First, the services in the cancelled registrations are different. Second, "a canceled registration does not provide constructive notice of anything." Action Temporary Services Inc. v. Labor Force Inc., 870 F.2d 1563, 10 USPQ2d 1307, 1309 (Fed. Cir. 1989).

card services. However, we point out that even "if some prior registrations had some characteristics similar to [applicant's mark], the PTO's allowance of such prior registrations does not bind the Board or this court." In re Nett Designs Inc., 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001). Clearly, the path to overcoming a descriptiveness refusal is not simply a matter of finding a few registrations where a term has not been disclaimed and arguing for a similar result. Here, the evidence submitted by the examining attorney demonstrates that, at least more recently, the term "Rewards" has come to describe credit card that have a program to reward people for using the card. The fact that the Office did not require a disclaimer of the term "rewards" in several registrations the Office issued in 1996, 1997, and 1998 does not preclude the Office from forever finding the term descriptive based on new evidence in 2004.

Applicant also argues that the examining attorney "attempts to create a new standard for descriptiveness - one on which the appraiser of the mark is already aware of the nature of the services and then concludes that it was described by the mark all along." Reply Brief at 3. Applicant apparently relies on the fact that there are also credit cards that are associated with the equity in real

estate. See, e.g., Chicago Sun-Times, November 14, 2003 ("Bank of America is testing a rewards that will allow customers who use a credit card to tap their home equity to earn points that can be used for cookware, restaurant meals, golf clubs and other products"). As we noted earlier, we must consider the mark in the context in which it is used. This is not a new standard for descriptiveness but the traditional Abcor approach.

Similarly, that applicant can take the dictionary definitions of the individual words in the term and come up with a meaning that makes no sense in connection with the services recited in the application does not mandate a different conclusion on the issue of mere descriptiveness. As stated above, the determination of descriptiveness is made in the context of the identified services, and the meaning of "ETHNIC ACCENTS" in connection with applicant's services is clearly that of home furnishings or decorations relating to various ethnicities.

In re Ethnic Home Lifestyles Corp., 70 USPQ2d 1156, 1159 (TTAB 2003). See also In re Time Solutions Inc., 33 USPQ2d 1156, 1158 (TTAB 1994).

When consumers encounter applicant's mark, YOUR HEALTH INSURANCE MANAGER, used in the context of applicant's advertising, which describes applicant's goods as "new PC software to manage your medical records and health insurance" and lists the various tasks performed by the software programs, as recited above, we have no doubt that the mark will immediately convey to them information concerning a significant feature or function of applicant's programs, namely, that they manage, i.e., handle with skill, personal health insurance matters.

The mark must be viewed in the context of the goods or services in order to evaluate properly the question of descriptiveness. For example, the term "hot" can describe food that is extremely warm or food that is spicy. Without considering the context, it would not be clear whether and why the term "hot" is descriptive of a food product. For credit cards, without looking at the context, it would not be clear whether the term "car" used in association with a rewards program described a card that provided rental car rewards or assisted a future car buyer in obtaining points that could be applied as part of a down payment.

Finally, we must consider the mark EQUITY REWARDS as a whole. We must also view the mark in association with applicant's credit card services. Applicant's credit card services involve a reward program that involves paying a credit cardholder's mortgage principal that increases the cardholder's equity. This fact would be clear to any prospective purchaser reading the press release for applicant's credit card. The term EQUITY REWARDS would immediately describe the fact that applicant's credit card services has a reward program that benefits a cardholder's equity. Therefore, the mark is merely descriptive of applicant's services.

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Decision: The refusal to register under Section
2(e)(1) of the Trademark Act is affirmed.